

Message Text

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ORIGIN OES-07

INFO OCT-01 EUR-12 EA-07 ISO-00 ERDA-05 PM-04 NRC-05
L-03 IO-13 EB-07 ACDA-07 SS-15 SP-02 H-01
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DRAFTED BY USERDA:AIA: E T MCFADDEN:BJB
APPROVED BY OES/NET/IM: D B HOYLE
USERDA:AIA: G F HELFRICH
USNRC:IP: M PETERSON (DRAFT)
PM/NPP: J MCGUINNESS
L/OES: C SIEGAL
IO/SCT: J TREVITHICK
T/D: E MCGAFFIGAN
EA/IMS: W SHEPHARD
ACDA: L. GALLINI
OES/NET/RD:JCOON

-----109553 081926Z /56

P 081908Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY VIENNA PRIORITY
AMEMBASSY KUALA LUMPUR PRIORITY

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USIAEA

E.O. 11652: GDS

TAGS: IAEA, TECH, MY

SUBJECT: PROPOSED TRANSFER TO MALAYSIA OF TRIGA MARK II
RESEARCH REACTOR AND FUEL

REF: A) IAEA VIENNA A-111; B) VIENNA 6096; C) KUALA
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LUMPUR 4150 (NOTAL)

1. SUMMARY. U.S. IS PREPARED IN PRINCIPLE TO CONSIDER
SUPPLYING LOW-ENRICHED URANIUM FOR RESEARCH REACTOR FUEL
TO MALAYSIA UNDER U.S.-IAEA AGREEMENT FOR COOPERATION,
TO PERMIT POSSIBILITY OF PROVIDING PART OF THE MATERIAL
AS GIFT TO IAEA. HOWEVER, PRIOR NEGOTIATION OF BILATERAL

AGREEMENT FOR COOPERATION WITH MALAYSIA WILL BE NECESSARY TO PERMIT EXPORT OF REACTOR FOR WHICH FUEL IS DESIRED. U.S. WOULD EXPECT ANY FUEL MATERIAL SUPPLIED THROUGH IAEA TO BE MADE SUBJECT TO GUARANTEES AND OTHER U.S. CONTROL PROVISIONS WHICH WOULD BE CONTAINED IN U.S. AGREEMENT FOR COOPERATION WITH MALAYSIA. END SUMMARY.

2. MALAYSIAN INQUIRY TO IAEA HAS BEEN UNDER REVIEW BY USG AGENCIES CONCERNED. ALSO UNDER REVIEW IS GENERAL ATOMIC COMPANY (GAC) APPLICATION TO NUCLEAR REGULATORY COMMISSION (NRC) FOR LICENSE TO EXPORT TRIGA MARK II REACTOR FOR WHICH MALAYSIA WISHES TO OBTAIN LOW-ENRICHED URANIUM THROUGH AGENCY.

3. UNDER US ATOMIC ENERGY ACT OF 1954, AS AMENDED, REACTORS (LIKE ENRICHED URANIUM AND OTHER SPECIAL NUCLEAR MATERIAL) MAY BE LICENSED FOR EXPORT ONLY PURSUANT TO AGREEMENTS FOR COOPERATION CONCERNING CIVIL USES OF NUCLEAR ENERGY. NO SUCH AGREEMENT IS CURRENTLY IN EFFECT WITH MALAYSIA, AND IT HAS BEEN DECIDED THAT ANY TRANSFER OF A RESEARCH REACTOR TO MALAYSIA WILL HAVE TO TAKE PLACE PURSUANT TO AN AGREEMENT BETWEEN THE US AND MALAYSIA. FYI. WHILE THERE HAVE BEEN A FEW INSTANCES IN WHICH THE US HAS AGREED TO THE EXPORT OF REACTORS UNDER THE US-IAEA AGREEMENT FOR COOPERATION, REACTOR EXPORTS ARE NORMALLY APPROVED ONLY UNDER AGREEMENTS FOR COOPERATION CONCLUDED LIMITED OFFICIAL USE

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DIRECTLY WITH RECIPIENT COUNTRIES. EXPORT UNDER SUCH AGREEMENTS IS PREFERABLE ESPECIALLY BECAUSE OF US NON-PROLIFERATION CONTROLS THEY CONTAIN. END FYI.

4. FOR KUALA LUMPUR: EMBASSY IS REQUESTED TO APPROACH GOM AT APPROPRIATE LEVEL AND INFORM IT OF FOREGOING. EMBASSY SHOULD NOTE THAT USG APPRECIATES GOM STATUS AS PARTY TO THE NPT AND STRESS THAT IF GOM DESIRES, US IS PREPARED TO TAKE STEPS LEADING TOWARD NEGOTIATION OF AN AGREEMENT FOR COOPERATION. AGREEMENT WOULD CONTAIN NON-PROLIFERATION PROVISIONS TYPICAL OF EXISTING AGREEMENTS FOR COOPERATION WITH INDIVIDUAL NATIONS (E.G., GUARANTEES AGAINST ANY MILITARY USE OF SUPPLIED EQUIPMENT OR MATERIALS AND AGAINST ANY RETRANSFER TO THIRD NATIONS WITHOUT US CONSENT, SAFEGUARDS STIPULATIONS, PROVISION PRECLUDING REPROCESSING OR ALTERNATION OF FUEL WITHOUT US CONSENT). IT WOULD ALSO CONTAIN CERTAIN ADDITIONAL PROVISIONS REQUIRED UNDER CURRENT STRENGTHENED US NON-PROLIFERATION POLICIES (E.G., REQUIREMENT FOR ADEQUATE PHYSICAL SECURITY MEASURES, EXPLICIT UNDERTAKING AGAINST USE FOR ANY NUCLEAR EXPLOSIVE DEVICE), AND POSSIBLY ADDITIONAL PROVISIONS DEPENDING UPON CONGRESSIONAL ACTION

ON SEVERAL BILLS NOW UNDER CONSIDERATION.

5. IF US WERE SUBSEQUENTLY TO AGREE TO PROVIDE FUEL FOR THE REACTOR UNDER US-IAEA AGREEMENT FOR COOPERATION IN ORDER TO PERMIT POSSIBILITY OF SUPPLYING PART OF THE FUEL AS GIFT TO IAEA, US WOULD EXPECT THE MATERIAL TO BE SUBJECT TO THE NON-PROLIFERATION CONTROLS IN THE US-MALAYSIAN AGREEMENT. THIS COULD BE ARRANGED EITHER BY A US-GOM EXCHANGE OF NOTES OR BY REFERENCES TO PROVISIONS OF THE US-MALAYSIAN BILATERAL AGREEMENT IN THE PERTINENT US-IAEA-MALAYSIAN SUPPLY AGREEMENT.

6. EMBASSY SHOULD CAUTION GOM THAT EXISTENCE OF AN AGREEMENT FOR COOPERATION DOES NOT PER SE INSURE NRC LIMITED OFFICIAL USE

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ISSUANCE OF REACTOR EXPORT LICENSE.

7. EMBASSY SHOULD ALSO INFORM GOM THAT ONCE OUR NEW NON-PROLIFERATION LEGISLATION IS ENACTED, THE USG EXPECTS TO UNDERTAKE EXTENSIVE EFFORTS TO RENEGOTIATE TERMS OF A NUMBER OF EXISTING AGREEMENTS FOR COOPERATION TO REFLECT NEW NON-PROLIFERATION PROVISIONS AS WELL AS NEGOTIATING A NUMBER OF NEW AGREEMENTS. THUS, TIMING OF ANY PROSPECTIVE NEGOTIATIONS WITH MALAYSIA IS UNCERTAIN, BUT IF DECISION IS MADE TO PROCEED, US WOULD MAKE EVERY EFFORT TO INITIATE NEGOTIATIONS AS SOON AS POSSIBLE.

8. FOR VIENNA: MISSION SHOULD ADVISE IAEA THAT US CONSIDERATION OF SUPPLY OF FUEL MATERIAL TO MALAYSIA THROUGH IAEA MUST BE DEFERRED UNLESS AND UNTIL NEGOTIATION OF US-MALAYSIAN AGREEMENT FOR COOPERATION TAKES PLACE. SINCE FUEL NOT REQUIRED UNTIL 1979, THERE APPEARS TO BE ADEQUATE TIME FOR DISCUSSIONS OF THIS MATTER. VANCE

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Copy: SINGLE
Sent Date: 08-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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TAGS: TECH, MY, IAEA
To: VIENNA KUALA LUMPUR MULTIPLE
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